No Objection To Declassification 2009/09/30 : LOC-HAK-284-12-19-3

CONFIDENTIAL

THE SECRETARY OF COMMERCE

WASHINGTON, D.C. 20230

THE PRESIDENT HAS SEEN.

OCT 17 1975

MEMORANDUM FOR THE PRESIDENT

SUBJECT: My visit to Europe, October 2-11, 1975

This past weekend I returned from a ten-day visit to Europe. The main purpose of my trip was a meeting in Warsaw of the Fifth Session of the Joint Polish-American Trade Commission, of which I serve as the American Co-Chairman. The Commission meeting itself provided the opportunity for a general review of our bilateral commercial relations which had received a further spur as a result of your visit to Warsaw in mid-summer. Although the specific trade issues discussed within the Commission framework were not of such significance to merit your attention, both sides were of the opinion that our stated goals of a $1 billion trade turnover in 1976 and a $2 billion trade turnover in 1980 were achievable.

My private meetings with First Secretary Gierek and Prime Minister Jaroszewicz were quite friendly and wide-ranging. Mr. Gierek spoke with great warmth and enthusiasm about your visit, and asked me to convey his special greetings to you and the First Lady.

The Poles seemed to take in stride the then temporary suspension of grain sales, and now must be gratified with the recent announcement of the resumption of grain trading. Agriculture remains a very key element of the Polish economy -- especially since the vast majority of Polish agriculture is in private hands -- and so the Poles are particularly looking forward to Secretary Butz's visit to Warsaw next month.

I came away from my four-days in Warsaw with the conviction that Poland will play an increasingly larger role in the economies of Eastern Europe, based upon its extensive energy base and relatively large stable population. The Polish leadership appears genuinely to view expanded trade with the United States as an important element for the fulfillment of its ambitious economic development plans.

ON FILE DOC RELEASE INSTRUCTIONS APPLY

CLASSIFIED BY Peggy Dixon
SUBJECT TO GENERAL DECLASSIFICATION
SCHEDULE OF EXECUTIVE ORDER 11652
AUTOMATICALLY DOWNGRADED ON DEC. 31 1977

No Objection To Declassification 2009/09/30 : LOC-HAK-284-12-19-3

No Objection To Declassification 2009/09/30 : LOC-HAK-284-12-19-3

During my brief stay in Budapest I met with Prime Minister Lazar and Foreign Trade Minister Biro, along with the leaders of more than a dozen Hungarian business organizations. The Hungarians expressed considerable lament that the United States has been unable (because of the Jackson-Vanik Amendment to the Trade Act) to extend non-discriminatory tariff treatment to Hungarian goods. They view this as the largest single obstacle to the development of our rather small bilateral trade. In contrast to their strong desire for MFN, the Hungarians did not press for the extension to Hungary of Export-Import Bank credits. The Hungarians were well aware -- and were very appreciative -- of your own efforts to seek remedial legislation for the Trade Act.

At the suggestion of Deputy Secretary of State Ingersoll, I extended an invitation for a visit to the United States next year to Deputy Prime Minister Szeker and Foreign Trade Minister Biro. These visits should help to maintain senior-level contacts with Hungarian leaders in order to encourage more favorable conditions for the growth of our trade.

Leaving the Socialist world, I met with business leaders in our Trade Centers in London and in Paris, and I had an opportunity for more extensive conversations with government leaders in the United Kingdom. In both countries leaders expressed concern about what they viewed as an increasing trend toward protectionism in the United States. (To a somewhat lesser degree, similar sentiments were also expressed in Poland.) The most immediate example cited by these leaders as evidence of a protectionist trend was, of course, the recently filed anti-dumping petitions involving the automobile industry. I pointed out that the United States still strongly favored a liberal approach in the multi-national trade negotiations, and that the anti-dumping actions were a reflection of the downturn in our economy. I expressed optimism that such resort to legal protection would lessen as our economic activities expanded.

No Objection To Declassification 2009/09/30 : LOC-HAK-284-12-19-3

No Objection To Declassification 2009/09/30 : LOC-HAK-284-12-19-3

I was impressed with the seriousness of the concern in Europe about the direction which they perceive our trade policy may be taking. The economic Summit meeting in France next month will provide a useful opportunity for you to reaffirm the importance of expanded and more open trade.

I am sending copies of this report to Secretaries Kissinger, Simon, Butz and Ambassador Dent.

Rogers Morton
Secretary of Commerce

No Objection To Declassification 2009/09/30 : LOC-HAK-284-12-19-3